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CONTRIBUTION TO THE COMMON DEFENSE

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¶1. (U) This is Mission Turkey's contribution to the 2005/2006 Report to Congress on Allied Contributions to the Common Defense. We follow refTel's format.

General Assessment

¶2. (U) A. Turkey has NATO's second-largest military after the United States. It has taken on an impressive number of tasks within the Alliance, including NATO Rapid Deployable Corps (NRDC)-Turkey serving in the second deployment of NATO Response Force in 2003-2004; NRDC-Turkey will serve in this capacity again in 2007. Turkey's Partnership for Peace Training Center opened in 1998; its Center for Excellence-Defense Against Terrorism opened in 2004. Turkey has also offered its Air Force base in Konya as a NATO Tactical Air Training Center.

¶3. (U) In Aug. 2005, Turkey completed its second International Security Assistance Force (ISAF) command (II and VII) in Afghanistan, which it held for six months and during which time it contributed over 1,500 troops. Turkey, France, and Italy have agreed on a shared command of the ISAF Central Region Command in Kabul starting in the second half of 2006. Turkey will lead a Provincial Reconstruction Team (PRT) in Wardak Province beginning in the second half of 2006, and also currently contributes to SEEBRIG's deployment to the Kabul region. Turkey also contributes to reconstruction and training efforts in Afghanistan. It is involved in the reconstruction of schools and is exploring counter-narcotics training programs for Afghan police and alternative livelihood options for poppy farmers. Following PM Erdogan's May 2005 visit to Afghanistan, the GOT increased its reconstruction budget for Afghanistan ten-fold, to \$100 million. Turkey continues to provide significant personnel and assets for Operation Active Endeavor, KFOR, and Operation Althea. Turkey also provided airlift as part of NATO's support for the African Union Mission in Sudan, and assisted NATO's relief efforts for the Pakistan earthquake.

¶4. (U) B/C. Since 2003, Turkey has continued its reform efforts in order to meet EU candidacy criteria, and was rewarded with the official opening of membership negotiations on Oct. 3, 2005. However, the GOT has also been preoccupied with events in Iraq, including concerns about perceived Kurdish expansionism and the significant increase in PKK violence in Turkey since the terrorist organization lifted its unilateral ceasefire in mid-2004. Despite its concerns about Iraq, Turkey continues to be a strong partner in the Global War on Terrorism.

¶5. (SBU) The Turkish military is undergoing a modernization program that should increase Turkey's capacity to meet its NATO responsibilities. However, the GOT's ability to finance its military modernization program remains hampered by the government's limited financial flexibility as it gradually restores the health of public finances which were badly damaged by unsuccessful economic policies in the 1990,s and by the 2001 financial crisis. Since the crisis, Turkey has experienced four straight years of strong economic growth during which Turkey's debt ratios have improved and public finances have been put on a more stable footing. GDP grew 8.9 percent in real terms in 2004 and preliminary estimates suggest it grew at least 5 percent in 2005. Nevertheless, military spending competes not only with continuing large debt service payments but also with social and investment spending needs that were neglected during the immediate post-crisis austerity. With 2006 growth likely to be strong as well, there may be room for minor increases in force modernization spending.

¶6. (SBU) Embassy calculates 2005 defense spending at 13.5 billion New Turkish Lira (YTL) or US\$ 10.07 billion, based on an average exchange rate of 1.3408 lira per dollar. This calculation includes spending on Jandarma and Coast Guard which are not included in the Defense Ministry budget, but

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does not include Defense Industry Support Fund spending which is off-budget. By this calculation, 2004 defense spending totaled 12.2 billion YTL, or US\$ 8.6 billion using an average exchange rate of 1.421. This represented 8.1% of the budget and 2.9% of GDP. 2005 defense spending represented 9.3% of the budget and 2.8% of GDP. In the 2006 budget, Turkey is projected to spend US\$ 10.01 billion, equivalent to 9.0% of the budget and 2.6% of projected GDP. The reduction in the dollar figure is due to the forecast exchange rate used in Turkey's economic program: 1.4184 lira per dollar. In lira terms, defense spending in 2006 will increase 5.2% from 2005. The decline in defense spending in relation to GDP can be attributed to strong GDP growth coupled with continued fiscal austerity, rather than to a shift of spending away from the defense sector.

¶7. (SBU) Historically the strongest area of our bilateral relationship, bilateral security cooperation is significantly declining. Under Turkey's current policy, the emphasis is on Direct Commercial Sales at the expense of Foreign Military Sales and American companies are having difficulty competing. For years, the GOT has had the goal to develop an indigenous defense industry that can supply a significant portion of Turkey's military requirements. To meet this goal and to simplify the bid evaluation process, the Undersecretariat for Defense Industries (SSM), Turkey's major systems procurement authority, recently began requiring companies to accept unconditionally all terms and conditions and to confirm at the time of bid submission the contractor government's willingness to allow transfer of the required technology. Although SSM understands the USG will not guarantee approval of technology transfer before a contract is signed, SSM has not revised the tender to remove that requirement. We believe this issue could adversely affect Turkey's interoperability within the Alliance and diminish opportunities for Turkish and U.S. service personnel to work together.

¶8. (SBU) D/E. Despite the unpopularity of the Iraq war, Turkey has provided significant logistical support to both Operation Iraqi Freedom and to OEF in Afghanistan. Turkey has approved multiple requests for the use of Incirlik Air Base, including: a tanker refueling operation which has delivered over 28 million gallons since operations began in 2003 and flown over 2,800 sorties; the transit of 8,500 U.S. troops on rotation from Iraq from January through April 2004; and the establishment in May 2005 of a logistics hub which allows six U.S. military C-17 aircraft to move the amount of cargo it took 9-10 military aircraft to move from Germany. This hub has facilitated the movement of 129 million pounds of supplies since its inception; flown 1280 C-17 sorties; received 577 wide-bodies cargo aircraft; and houses 150 TDY support personnel. Turkey also approved the use of hub flights for the emergency evacuation of U.S. soldiers from Iraq. In addition, Turkey has approved the use of Incirlik and other airfields for other CF members' use.

¶9. (SBU) The Habur Gate, the only border crossing from Turkey into Iraq, provides 25% of fuel shipments to Coalition forces in Iraq and two-thirds of gasoline and diesel fuel shipments for the Iraqi people. Significant shipments of food and water for coalition forces also pass over the border.

¶10. (SBU) The Turkish government has also demonstrated its support through its public announcements of support for the recent Iraqi elections; the re-opening its consulate in Mosul in 2006; provision of training in Turkey for Iraqi diplomats, political parties, and (as part of the NATO training mission) Iraqi Security Forces; hosting a conference for Iraqi constitution drafters in July, and a meeting of Iraqi Sunni leaders with Amb. Khalilzad in Istanbul in December.

¶11. (U) In 2004, Turkey launched its maritime interdiction operation in the Black Sea, Operation BLACK SEA HARMONY. The GOT reported that in 2004 and 2005 it devoted approximately 325 personnel, 50 vessels, and 220 aircraft to this operation. In 2005, Turkey opened BLACK SEA HARMONY to the other Black Sea littoral states. Turkey provides data obtained from this operation to NATO.

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Direct Cost-Sharing

¶12. (U) In accordance with current bilateral agreements, the USG has not sought a direct GOT contribution toward the costs associated with the stationing of U.S. forces in Turkey. However, the U.S. Office of Defense Cooperation in Ankara and its support facilities operate rent-free on Turkish military bases and enjoy Turkish military security. In addition, Turkey increases its security presence at U.S. facilities when the terrorist threat is perceived to be higher.

Indirect Cost-Sharing

¶13. (U) Cost estimate if US Office of Defense Cooperation had to hire contract guards is US\$ 321,000 for 2004 and US\$ 328,400 for 2005. Cost estimate to hire contract guards at Incirlik Air Base is US\$ 642,000 for 2004 and US\$ 656,000 for 2005. U.S. military aircraft do not pay landing fees to land at Turkish military airfields (estimated value: US\$ 2 million) but do pay to land at commercial airfields.

¶14. (U) Indirect cost-sharing in the form of foregone rent of GOT-owned land and facilities used at no cost by the USG is calculated as follows:

OFFICE OF DEFENSE COOPERATION, ANKARA (2004)

-- Land (11,120 sq m of land valued at US\$ 14.90/sq m, based on prevailing fair market value of land in that district and

adjusted for inflation of 14.86%) = US\$ 190,342;

-- Prevailing fair market value of headquarters building (5,500 sq m), motor pool and shop (620 sq m), and parking lot (5,000 sq m) adjusted for inflation of 14.86% is US\$ 151,143/year.

Total foregone rent of GOT-owned land and facilities is US\$ 341,485 for 2004.

U.S.-UTILIZED LAND AT INCIRLIK AIR BASE (2004) (all buildings and facilities are built and paid for by the USG):

-- Land (1 Acre = 4,047 Square meter) -- 4,047 x US\$ 6.11 (prevailing FMV land) = US\$ 24,727

-- 3,323 (total acres) x US\$ 24,727.17 = \$82,168,385

-- Buildings - Total square footage of buildings (4,169,795) multiplied by average cost per square foot (US\$ 43.86) equates to US\$ 182,866,799 estimated value of buildings.

Total cost of land and buildings for Incirlik is US\$ 265,035,184 for 2004.

Total indirect cost for 2004 is US\$ 3,304,485 -- includes landing fees, guards and foregone rent of GOT-owned land and facilities.

OFFICE OF DEFENSE COOPERATION, ANKARA (2005)

-- Land (11,120 sq m of land valued at US\$ 14.90/sq m, based on prevailing fair market value of land in that district and adjusted for inflation of 14.86%) = US\$ 218,628;

-- Prevailing fair market value of headquarters building (5,500 sq m), motor pool and shop (620 sq m), and parking lot (5,000 sq m) adjusted for inflation of 14.86% is US\$ 173,603/year.

U.S.-UTILIZED LAND AT INCIRLIK AIR BASE (2005) (all buildings and facilities are built and paid for by the USG):

-- Land (82,168,385.91 X 12% (inflation rate) = US\$ 92,028,592.

-- Buildings - Total square footage of buildings (4,256,447) multiplied by average cost per square foot (US\$ 43.86)

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equates to US\$ 186,666,932 estimated value of buildings.

Total cost of land and buildings for Incirlik is US\$ 278,695,524 for 2005.

Total indirect cost for 2005 is US\$ 3,376,631 -- includes landing fees, guards and foregone rent of GOT-owned land and facilities.

15. (U) Forgone Tax/Customs revenue: American military activities and personnel assigned to Turkey are exempt from all income, corporate, stamp taxes and customs duties. The estimated forgone revenue is calculated as follows:

-- For 2004, Turkey-wide PX/Commissary annual sales were over US\$ 21,297,434. Using the average VAT rate of 22 percent, foregone tax revenue was US\$ 4.6 million.

-- For 2005, Turkey-wide PX/Commissary annual sales were over US\$ 23,067,026. Using the average VAT rate of 22 percent, foregone tax revenue was US\$ 5.1 million.

--Forgone customs duties on personal property, personal vehicles, supply equipment, weapons and munitions, military vehicles, and local purchases at an average rate of 18 percent is estimated to be in excess of US\$ 6.1 million

annually for 2004 and 2005.

Total Foregone Tax/Customs 2004 = US\$ 10.7 million

Total Foregone Tax/Customs 2005 = US\$ 11.2 million

Contingency Operations, etc.

1A. Recent Contingency Operations:

16. (U) Turkey contributes to the following key contingency operations:

Afghanistan: Commanded ISAF VII February-August 2005, contributing approximately 1500 troops. For other periods in both 2004 and 2005, Turkey contributed approximately 230 to 300 personnel to ISAF. Turkey also maintains a small number of personnel at CFC-A Headquarters in Kabul.

Kosovo: For both 2004 and 2005, Turkey maintained a battalion in KFOR plus some additional headquarters personnel, totaling from 375 to 400 troops.

Bosnia: Turkey smoothly transitioned its SFOR presence into the EU-led Operation ALTHEA. For both 2004 and 2005, its presence remained at about 350-370 personnel (one battalion plus others).

Operation Active Endeavor: For 2004 and 2005, Turkey contributed four vessels and about 573 personnel to Operation ACTIVE ENDEAVOR.

Operation Black Sea Harmony: For 2004 and 2005, Turkey used 56 vessels and 220 aircraft to conduct Operation BLACK SEA HARMONY, Turkey's MIO in the Black Sea.

17. (SBU) Iraq: Though the Turkish parliament decided on March 1, 2003 not to allow coalition forces to transit Turkey for OIF, since then Turkey has provided considerable support for OIF. Despite the unpopularity of the Iraq war, Turkey has provided significant logistical support to both Operation Iraqi Freedom and to OEF in Afghanistan. Turkey has approved multiple requests for the use of Incirlik Air Base, including: a tanker refueling operation which has delivered over 28 million gallons since operations began in 2003 and flown over 2,600 sorties; the transit of 8,500 US troops on rotation from Iraq from January through April 2004; and the establishment in May 2005 of a logistics hub which allows 6 US military C-17 aircraft to move the amount of cargo it took 9-10 military aircraft to move from Germany. This hub has facilitated the movement of 41,339 tons of supplies since its inception; flown 1280 C-17 sorties; received 577 wide-bodies cargo aircraft; and houses 150 TDY support personnel. Turkey

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also approved the use of hub flights for the emergency evacuation of US soldiers from Iraq.

18. (SBU) The Habur Gate, the only border crossing from Turkey into Iraq, provides 25% of fuel shipments to Coalition forces in Iraq and two-thirds of gasoline and diesel fuel shipments for the Iraqi people. Significant shipments of food and water for coalition forces also pass over the border.

1. (U) UN Peace Support Operations: In 2004, Turkey contributed 265 personnel to other UN peacekeeping operations, and 269 in 2005.

1B. Military Assistance:

20. (U) Afghanistan: All in 2005: Turkey donated US\$ 3.5 million in used military equipment, and donated US\$ 850,000 to the GOA for procurement of equipment. 12 Turkish instructors teach at Afghanistan's Military Academy in Kabul. Turkish mobile teams trained 1452 members of the Afghan

National Army, and trained 124 Afghan soldiers in Turkey.

¶21. (U) Caucasus and Central Asia: To pursue its goals of stability and westernization in the region, Turkey provides military equipment, education and training to personnel from Central Asia and the Caucasus. It has contributed \$41 million in equipment in the past six years. Turkey has trained some 1400 Georgian personnel. In Azerbaijan, Turkey has provided some US\$ 150 million in equipment and over US\$ 100 million in training and training facilities over the past six years. In Kazakhstan, Turkey has provided \$6.8 from 1998 to 2005. TGS coordinates with the US its assistance to the Caucasus and Kazakhstan through the OSD-led Caucasus Working Group. Turkey provides somewhat less assistance to the other Central Asian states. It provides no assistance to Armenia.

¶22. (U) 2004 figures:

Georgia: US\$ 1.7 million
Azerbaijan: US\$ 1.8 million
Kazakhstan: US\$ 577,000

(U) 2005 figures:

Georgia: US\$ 1.3 million
Azerbaijan: US\$ 1.6 million
Kazakhstan: US\$ 692,000

¶23. (U) NTM-I: 2005: Turkey has five personnel assigned to NTM-I (four in Iraq). Under NTM-I, 56 Iraqi officers trained in Turkey in 2005.

¶C. Humanitarian Relief Operations:

¶24. (U) Afghanistan: In 2005, the GOT announced it was increasing its reconstruction assistance ten-fold, to \$100 million.

¶25. (U) Pakistan: Following the 2005 earthquake, Turkey sent 24 planes and search and rescue and medical teams. Turkey also facilitated the use of Incirlik Air Base for transport to Pakistan of 1.16 tons of humanitarian goods from the UNHCR warehouse in Iskenderun. GOT and private donations from Turkish citizens totaled US\$ 225 million.

¶26. (U) Iraq: Over 2004 and 2005, the GOT provided US\$ 2.9 million in food, medicine, and other aid to residents in Talafar, Fallujah, Kirkuk, and Mosul. Turkey has pledged US\$ 50 million in reconstruction aid for Iraq, but has disbursed relatively little of this sum.

¶27. (U) Katrina: Turkey donated US\$ 1.6 million in 2005.

¶28. (U) Tsunami: In 2005, Turkey donated US\$ 7.6 million for tsunami relief.

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¶29. (U) Georgia: Turkey provided US\$ 1.0 million in food relief in 2004.

¶D. Capacity Building:

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¶30. (U) As of January 2006, Turkey provides 236 civilian police officers to UN missions in DROC, Sierra Leone, Kosovo, East Timor, Liberia, Ivory Coast, Haiti, and Sudan, as well as five military observers in Georgia.

¶31. (U) Turkey has launched a number of groundbreaking regional cooperation mechanisms in southeastern Europe. It continues to be an active participant in the South-East European Cooperation Process (SEECP) and the numerous initiatives that have emanated from it, including the South Eastern Europe Brigade (SEEBRIG), an integrated infantry

brigade composed of units from Albania, Bulgaria, Macedonia, Greece, Italy, Romania, and Turkey, with the US and Slovenia acting as observers. Turkey contributes a mechanized infantry battalion, a reconnaissance company, an artillery battery and some supporting units to SEEBRIG. In 1997-8, Turkey conceived and nurtured the Multinational Peacekeeping Force--Southeast Europe (MPFSEE), which operates the on-call SEEBRIG. It was activated in 1999 under a Turkish commander.

In 2001, the GOT successfully brought together Russia, Ukraine, Romania, and Bulgaria to establish BLACKSEAFOR, an on-call force comprising naval units of the Black Sea littoral states. In 2004, Turkey launched its maritime interdiction operation in the Black Sea, Operation BLACK SEA HARMONY. The GOT reported that in 2004 and 2005 it devoted approximately 325 personnel, 50 vessels, and 220 aircraft to this operation. In 2005, Turkey opened BLACK SEA HARMONY to the other Black Sea littoral states. Turkey provides data obtained from this operation to NATO.

¶32. (U) Turkey has actively supported the US in pursuing the adaptation of NATO to a post-Cold War world. Its commitment to the Partnership for Peace is evident in its Ankara PfP Training Center, which since its opening in 1998 has trained almost 6000 students from 58 countries in courses ranging from "Peacekeeping Operations Management" to "Refugee Relief."

¶33. (U) Turkey opened its Center of Excellence-Defense Against Terrorism (COE-DAT) in 2005. Since its inception, it has provided courses to 260 students from at least 27 countries. The U.S. provides two officers and one NCO to the Center.

¶E. Counterproliferation:

¶34. (U) Turkey commenced participation in the Proliferation Security Initiative in 2003. The GOT participated in three PSI Experts Group meetings in 2005, and participated in two PSI exercises. Turkey plans to host the first PSI combined land, air, and sea exercise in May 2006.

¶35. (U) Turkey is a vigorous supporter of regional counterproliferation cooperation. It is a member of every major arms control and counterproliferation regime, including NPT (1969), BWC, (1974), Wassenaar (1996), MTCR (1997), CWC (1997), CTBT (1999), NSG (2000), Australia Group (2000) and the Ottawa Convention (2003). Since 1999, the GOT has undertaken the responsibility for the operation and maintenance of the Belbasi Seismic Monitoring Station, an important data source for the worldwide comprehensive test ban treaty (CTBT) nuclear test-monitoring network.

¶36. (U) Since February 1999, TGS and the U.S. Missile Defense Agency have been cooperating on a joint missile defense architectural study in anticipation of a developing tactical ballistic missile threat against Turkey and its NATO allies. Turkey has consistently supported Alliance missile defense activities.

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